

UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN SENATE  
State Universities Retirement System Members Advisory Committee  
(Final; Information)

SUR.22.01 Report on SURSMAC\* Meeting, November 4, 2021

The SURSMAC held its Annual Meeting electronically beginning at 10 a.m. on November 4, 2021. Those attending were welcomed by Melanie Lewis, SURSMAC Chair. The agenda included updates from members of the SURS administration and the Annual Meeting of SURSMAC. (**NOTE:** Copies of the PowerPoint or web page material for the four “Meeting Presentations” from the SURS staff that are summarized below are available at the SURSMAC link on the SURS home page: <https://surs.org/sursmac/>).

The first speaker was Interim Executive Director and Chief Benefits Officer Suzanne Mayer. She noted that since our last meeting Larry Curtis, who had served as the long-time liaison with SURSMAC, had retired and that Kristen Houch, Director of Legislative and Stakeholder Relations, was serving as the current liaison. She summarized the SURS financial status (e.g., the funding ratio is 43.8%, a slight rise from the 42.2% in 2020); noted the results of the 2021 Board of Directors Election; and went over the SURS Defined Contribution Plans. She described the changes in effect for working with annuitants due to the pandemic since in-person visits were not possible. She concluded by discussing the changes that had been made in designing the new SURS website including insuring that it was ADA compliant.

The point she made that is probably of most interest to current employees near retirement is that the Money Purchase Factor will change effective July 2, 2022. Those affected are individuals who first became participants before July 1, 2005 for whom the Money Purchase calculation will provide the higher retirement annuity. For them, the change will result in an estimated 2% to 4% reduction in monthly benefit payment if they retire on or after July 2, 2022. She noted that anyone who feels they might be affected should be sure to be aware of their options. For more information, you can visit the SURS website (<https://surs.org/money-purchase-factor-change/>).

The second speaker was Chief Investment Officer Doug Wesley who provided an investment update. He began by summarizing the allocation of funds in the investment portfolio compared to the target allocation and how the approved targets had changed under the new policy allocation approved in June 2021. As of June 30, 2021, the SURS portfolio performance was slightly below the market goal for the one year (23.8% vs. 24.4%) and three year (10.4% vs. 10.7%) periods. He concluded by discussing the key partners with whom SURS works and the other activities the Investment Department had undertaken.

The third speaker was Albert Lee, Associate General Counsel. He discussed the rulemaking process under the Illinois Administrative Code and the rules governing the State Universities Retirement System. The rulemaking process is overseen by the Joint Committee on Administrative Rules (JCAR). The rules promulgated by SURS have more than 60 sections under Title 80, Part 1600 of the Illinois Administrative Code. Currently, SURS is in the process of promulgating rules that define who is an “employee” for SURS participation purposes. The First Notice version of these proposed rules was published at 45 Illinois Register 8638, July 16, 2021. He discussed that the proposed rule is being moved to Second Notice for review by JCAR and will propose a 10% minimum FTE standard for continuous employment and a delayed effective date of January 1, 2023.

The final speaker was Kristen Houch, Director of Legislative and Stakeholder Relations who discussed the bills that had been passed by the Legislature this year that related to retirement matters.

Chair Lewis thanked the speakers for their presentations and called the SURSMAC Annual Meeting to order. She discussed the changes that had occurred that were mentioned by Ms. Mayer and her plans for the next year. This was followed by the election of the following officers: Chair: Melanie Lewis; Vice Chair: Linda Brookhart and of the following members of the Executive Committee: Mary Nippe and Judy Connelly. She also discussed the plans for choosing members of the Legislative and Benefits Committees. There being no further business, the meeting was adjourned at about 11:20 a.m.

Respectfully Submitted, H.F. (Bill) Williamson, John Kindt, UIUC Senate Representatives

\* SURSMAC is the State Universities Retirement System Members Advisory Committee to the SURS Board of Trustees. Members are faculty and staff representing the various institutions and agencies affected by SURS: public universities, community colleges, state surveys, and retiree organizations. It normally meets twice a year in Champaign, Illinois.